

## TALON RESOURCES INC

June 27, 2003

Mrs. Diana Mason  
State of Utah  
Division of Oil Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—**Soldier Creek #7-29**, Carbon County, Utah  
2,069' FNL, 1,643' FEL, SW/4 NE/4, Section 29, T12S, R12E, SLB&M.

Dear Mrs. Mason:

On behalf of J-W Operating Company, Talon Resources, Inc. respectfully submits the enclosed original of the *Application for Permit to Drill* (APD), for the above referenced well. A request for exception to spacing (R649-3-3 General State Spacing) is hereby requested based on topography since the well is located within 460' of the drilling unit boundary. J-W Operating company is the only offset drilling unit owner within the NE/4, Section 29, T12S, R12E, SLB&M. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats and layouts of the proposed well site;

Exhibit "B" - Proposed location maps with road corridors;

Exhibit "C" - Drilling site layout;

Exhibit "D" - Drilling Program;

Exhibit "E" - Multi Point Surface Use Plan;

Exhibit "F" - Typical road cross-section;

Exhibit "G" - Typical BOP diagram;

Exhibit "H" - Typical wellhead manifold diagram.

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JUL 01 2003  
DIV. OF OIL, GAS & MINING  
**ORIGINAL**  
**CONFIDENTIAL**

Please accept this letter as J-W Operating Company's written request for confidential treatment of all information contained in and pertaining to this application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact myself, or Mr. Robert Eller with J-W Operating Company at 970/332-3151 if you have any questions or need additional information.

Sincerely,

*Don Hamilton*

Don Hamilton

Agent for J-W Operating Company

cc: Mr. Mark Jones, Division of Oil, Gas and Mining  
Mr. Robert Eller, J-W Operating Company  
Mrs. Ginny Burchard, J-W Operating Company

001

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO: Patented	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: J-W Operating Company		9. WELL NAME and NUMBER: SoldierCreek #7-29	
3. ADDRESS OF OPERATOR: P.O. Box 305 CITY Wray STATE CO ZIP 80758		10. FIELD AND POOL, OR WILDCAT: Soldier Creek	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2,069' FNL, 1,643' FEL AT PROPOSED PRODUCING ZONE: 2,069' FNL, 1,643' FEL		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 29 12S 12E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 16.1 miles northeast of Wellington, Utah		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1,900'	16. NUMBER OF ACRES IN LEASE: 2,020	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,650	19. PROPOSED DEPTH: 2,800	20. BOND DESCRIPTION: Blanket Fee Bond RLB 0004156	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7,327' GR	22. APPROXIMATE DATE WORK WILL START: 8/1/2003	23. ESTIMATED DURATION: 3 months	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12-1/4"	8-5/8"	K-55 ST	24 #	350	Class G	275 sacks 1.16 cu.ft/sk	15.8 ppg
7-7/8"	5-1/2"	N-80 LT	17#	2,800	10-1 RFC Class G	450 sacks 1.62 cu.ft/sk	14.2 ppg
						270 sks cp	

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

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NAME (PLEASE PRINT) Don Hamilton TITLE Agent for J-W Operating Company

SIGNATURE Don Hamilton DATE 6/27/2003

(This space for State use only)

API NUMBER ASSIGNED: 43-007-30931

APPROVAL:

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**RECEIVED**  
JUL 01 2003

Date: 08-04-03By: [Signature]

DIV OF OIL, GAS &amp; MINING

# Range 12 East

(S89°51'W - 5289.24')

2068.95'

SOLDIER CREEK #7-29  
ELEVATION 7326.9'

UTM  
N 4399681  
E 534356

1643.46'

29

N00°09'37"W 5305.16'

(WEST - 5280.00')

## Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Rock Pile
- ( ) GLO
- GPS Measured

## NOTES:

1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 83/WGS 84 DATUM.

LAT / LONG  
39°44'54"N  
110°35'59"W

## Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

## Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

## GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

## Basis of Elevation:

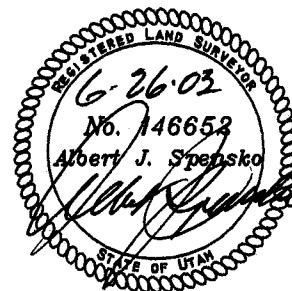
BASIS OF ELEVATION OF 7305' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 29, TOWNSHIP 12 SOUTH, RANGE 12 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE PINE CANYON QUADRANGLE 7.5 MINUTE SERIES MAP.

## Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SW1/4 NE1/4 OF SECTION 29, T12S, R12E, S.L.B.&M., BEING 2068.95' SOUTH AND 1643.46' WEST FROM THE NORTHEAST CORNER OF SECTION 29, T12S, R12E, SALT LAKE BASE & MERIDIAN.

## Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES INC

Talon Resources, Inc.  
375 South Carbon Avenue, Suite 101  
Price, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8603



Soldier Creek #7-29  
Section 29, T12S, R12E, S.L.B.&M.  
Carbon County, Utah

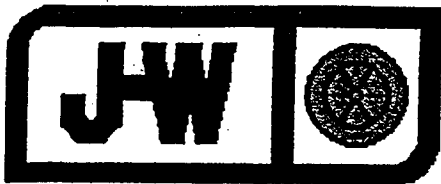
Drawn By J. STANSFIELD	Checked By L.W.J./A.J.S.
Drawing No. A-1	Date 06/22/03
	Scale 1" = 1000'
Sheet 1 of 4	Job No. 1125

GRAPHIC SCALE

0 500' 1000'

( IN FEET )

1 inch = 1000 ft.



**J-W OPERATING COMPANY**

4990 Miller Street, Wheatridge CO 80033

PO Box 1148, Wheatridge CO 80034

Office: 303/422-4990 Fax: 720/898-0397

Email: ginnyburchard@qwest.net

March 25, 2002

Iriart Family Limited Partnership  
Attn: Louise L. Iriart, General Partner  
PO Box 293  
Price, UT 84501

Re: Surface Use Agreement  
Dated June 18, 2001  
Carbon County, UT

Dear Mrs. Iriart,

Reference is made to the captioned Surface Use Agreement, copy of which is attached hereto as Exhibit "A". It has been brought to our attention that the Iriart Family Limited Partnership also owns the surface on the following lands, which are not described on the Surface Use Agreement:

**TOWNSHIP 12 SOUTH, RANGE 12 EAST, SLM**

SECTION 19: LOT 4, aka SWSW

SECTION 20: E/2E/2, NWNE

SECTION 32: NW, NENE, S/2NE, S/2

**TOWNSHIP 12 SOUTH, RANGE 11 EAST, SLM**

SECTION 13: SWSW

By this letter J-W Operating Company and the Iriart Family Limited Partnership desire to amend the Surface Use Agreement to include the above described Lands as though they were originally described therein. All other terms and conditions of the Surface Use Agreement to remain as written.

Please indicate your acceptance and approval by signing below and returning one original to J-W Operating Company, PO Box 1148, Wheat Ridge, CO 80034.

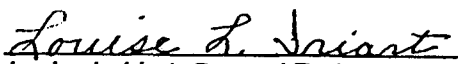
Very truly yours,

J-W OPERATING COMPANY

  
Ginny Burchard  
Landman

ACCEPTED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

IRIART FAMILY PARTNERSHIP, LANDOWNER

By:   
Louise L. Iriart, General Partner

RECEIVED

JUL 01 2003

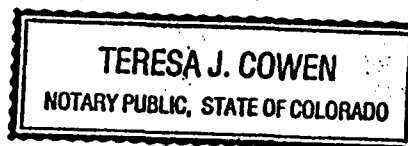
DIV. OF OIL, GAS & MINING

State of Colorado )  
 )ss  
County of Jefferson )

This instrument was acknowledged before me on this the 18th day of June, 2001, by  
K.L. READ, District Manager for J-W Operating Company.

Witness my hand and seal

Teresa J. Cowen  
Notary Public



My Commission Expires: 1-15-2002

State of Utah )  
 )ss  
County of Carbon )

This instrument was acknowledged before me on this the 16th day of July, 2001, by  
Louise L. Iriart, as General Partner for the Iriart Family Partnership.

Witness my hand and seal

[Signature]  
Notary Public

My Commission Expires: June 27 2004

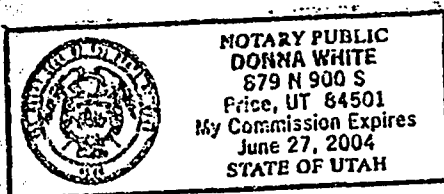


EXHIBIT "A"  
ATTACHED TO AND MADE A PART OF  
LETTER DATED MARCH 25, 2002 BY AND BETWEEN J-W  
OPERATING COMPANY AND THE IRIART FAMILY LIMITED PARTNERSHIP

## SURFACE USE AGREEMENT

The undersigned, J-W Operating Company, as Operator, and Iriart Family Limited Partnership, as Landowner(s), hereby agree to the following terms and conditions as surface damages for the drilling, completion and production of a well or wells to be drilled on the following described acreage:

Township 12 South, Range 11 East

Section 14: S/2SE

Section 23: NENE

Section 24: NWNW, NENE S/2N/2, N/2SW, NESE, S/2SE

Section 25: NWNE

Township 12 South, Range 12 East

Section 27: S/2SE

Section 28: S/2NW, SW, NWSE, S/2SE

Section 29: NE, N/2SE, SWSE, S/2NW, NESW

Section 30: NENW, NWNE, S/2NE, NESE, SWSE, SESW

Section 31: NENE, Lots 1, 2, 3, E/2SW, NENW

Section 32: NWNE

Section 33: NENE

Section 34: N/2, N/2SE

Section 35: W/2NW, NWSW

Carbon County, Utah

- 1) Operator agrees to pay the Landowner(s), after the commencement of drilling operations, \$800.00 per well location as surface damages for the roadway, drillsite, and slush pits needed for the drilling completion and production of a well or wells located on the acreage as described above. Operator agrees, upon completion of any test as a dry hole, or upon the abandonment of any producing well, to restore all lands utilized for such exploration as nearly as reasonably practical to their former condition.
- 2) It is agreed by and between the parties that they shall consult with each other regarding the location of routes for ingress and egress for drilling operations.
- 3) Operator agrees to pay the Landowner(s) \$10.00 per rod for right-of-way access for pipelines and/or a gathering system to the well or wells located on the acreage as described above.

This Agreement shall be binding upon the heirs, legal representatives, and assigns of the respective parties.

IN WITNESS WHEREOF, the parties have set their hands and seal this 18th day of June, 2001

OPERATOR:

J-W OPERATING COMPANY

Richard Read

LANDOWNER:

IRIART FAMILY PARTNERSHIP

BY: Louise L. Iriart  
LOUISE L. IRIART, GENERAL PARTNER



## DRILLING PROGRAM

Exhibit "D"

Attached to UDOGM Form 3  
J-W Operating Company  
Soldier Creek #7-29  
SW/4 NE/4, Sec. 29, T12S, R12E, SLB&M  
2,069' FNL, 1,643' FEL  
Carbon County, Utah

### 1. The Geologic Surface Formation

Tertiary Colton Formation

### 2. Estimated Tops of Important Geologic Markers

Castlegate	1,840'
Blackhawk	2,130'
Sunnyside	2,320'
Gilson	2,550'
Kenilworth	2,600'

### 3. Projected Gas & H<sub>2</sub>O zones (Blackhawk Formation)

Castlegate sandstone	1,840' – 2,130'
Blackhawk coals and sandstones	2,130' – 2,320'
Gilson coals and sandstones	2,550' – 2,600'

No groundwater is expected to be encountered.

Casing & cement will be utilized to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 500 psi.

### 4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
12-1/4"	350'	8-5/8"	24# K-55 ST&C	New
7-7/8"	2,800'	5-1/2"	17# N-80 LT&C	New

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**Cement Program -Every attempt will be made to bring cement back to surface.**

Surface Casing: 275 sacks G + 2 % CaCl<sub>2</sub> + 0.25 pps cellophane flakes;

Weight: 15.8 #/gal

Yield: 1.16 cu.ft/sk

Production Casing: <sup>270</sup>150 sacks 10:1 RFC Class G cement + 0.25 pps cellophane flakes;

Weight: 14.2 #/gal,

Yield: 1.62 cu.ft/sk yield.

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 2000 psi BOP will be used. This equipment will be tested to 1000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-350            12-1/4" hole    Drill with water and gradually move to a light base mud.

350-TD           7-7/8" hole    Drill with water and gradually move to a light base mud.

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7. The Testing, Logging and Coring Programs are as followed

350-TD        gamma ray, sp, array induction, compensated neutron lithodensity with caliper.

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected to be under 2000 psi. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: August 1, 2003.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a)    prior to beginning construction;
- (b)    prior to spudding;
- (c)    prior to running any casing or BOP tests;
- (d)    prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.



## MULTIPOINT SURFACE USE PLAN

### Exhibit "E"

Attached to UDOGM Form 3  
J-W Operating Company  
Soldier Creek #7-29  
SW/4 NE/4, Sec. 29, T12S, R12E, SLB&M  
2,069' FNL, 1,643' FEL  
Carbon County, Utah

#### **1. Existing Roads**

- a. The proposed access road will tie to existing lease roads that tie into the Nine Mile Canyon Road in which approval to maintain the existing encroachment is presently in place from the Carbon County Road Department (see Exhibit "B").
- b. We do not plan to change, alter or improve upon any other existing state or county roads. Existing roads will be maintained in the same or better condition.

#### **2. Planned Access**

- a. Approximately 0.28 miles of existing two-track access will be upgraded. (see Exhibit "B").
- b. Maximum Width: 20' travel surface with a 24' base.
- c. Maximum grade: 13 %.
- c. Turnouts: None.
- d. Drainage design: Approximately 2 – 18" culvert are anticipated at this time. Water will be diverted away from the planned access as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.

### **3. Location of Existing Wells**

- a. There are three proposed wells and six existing wells within a one mile radius of the proposed well site (see Exhibit "B").

### **4. Location of Existing and/or Proposed Facilities**

- a. If the well is a producer, additional wells will be drilled and installation of production facilities will follow.
- b. Gathering lines, when installed, will follow the access road southeast across fee surface and tie into the existing infrastructure near the Soldier Creek State, #3-32 (see Exhibit "B").
- c. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

### **5. Location and Type of Water Supply**

- a. Water to be used for drilling will be obtained from a local water source (probably Price River Water Improvement District, a local source of municipal water).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

### **6. Source of Construction Materials**

- a. All necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

## **7. Methods for handling waste disposal**

- a. Since the well will be mud drilled, a reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or pad location
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

## **8. Ancillary Facilities**

- a. We anticipate no need for ancillary facilities with the exception of camp trailers to be located on the drill site.

## **9. Wellsite Layout**

- a. Available topsoil will be removed from the location and stockpiled. The location of mud tanks, reserve pits, and soil stockpiles will be located as shown on Exhibit "C".
- a. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

## **10. Plans for Restoration of Surface**

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and recontoured to minimize possible erosion.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existing conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured.

## **11. Surface Ownership**

- a. The wellsite will be constructed on lands owned by the Iriart Family Partnership, LTD; 503 East 100 North, Price, Utah 84501. Bernie Iriart is the surface representative and can be reached at (435) 637-6610. Surface use is presently in place with Iriart and will be submitted under separate cover to the Division of Oil, Gas and Mining. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

## **12. Other Information:**

- a. The primary surface use is wildlife habitat and grazing. The nearest dwelling is the Iverson cabin approximately 0.9 miles northwest. Nearest live water is Soldier Creek approximately 0.85 miles southeast.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The backslope and foreslope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be at the well site during construction and drilling operations.

- f. There will be no deviation from the proposed construction, drilling, and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representatives**

Robert Eller – Production Engineer  
J-W Operating Company  
P.O. Box 305  
Wray, Colorado 80758

(970) 332-3151 office  
(970) 597-0019 mobile  
(970) 332-5821 fax

**Mail Approved A.P.D. To:**

Company Representative

**Excavation Contractor**

Shane Campbell – owner/operator  
Scamp Excavation  
1555 West 750 South  
Wellington, Utah 84542

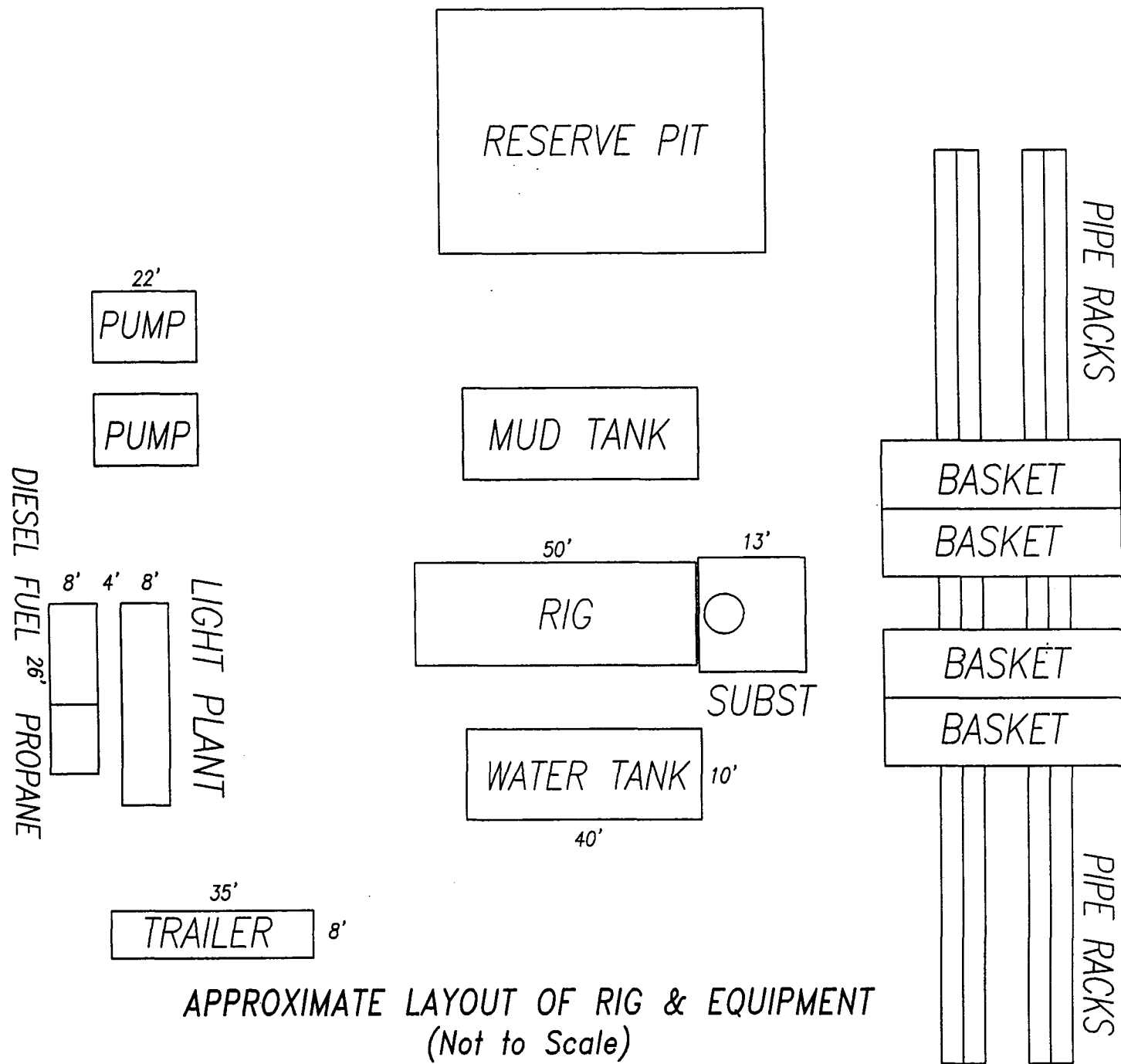
(435) 636-8101 office  
(435) 650-9876 mobile

14. **Certification**

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill-site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by J-W Operating Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

6-27-03  
Date

Don Hamilton  
Don Hamilton for J-W Operating Company



APPROXIMATE LAYOUT OF RIG & EQUIPMENT  
(Not to Scale)





# BOP Equipment

2000 psi WP

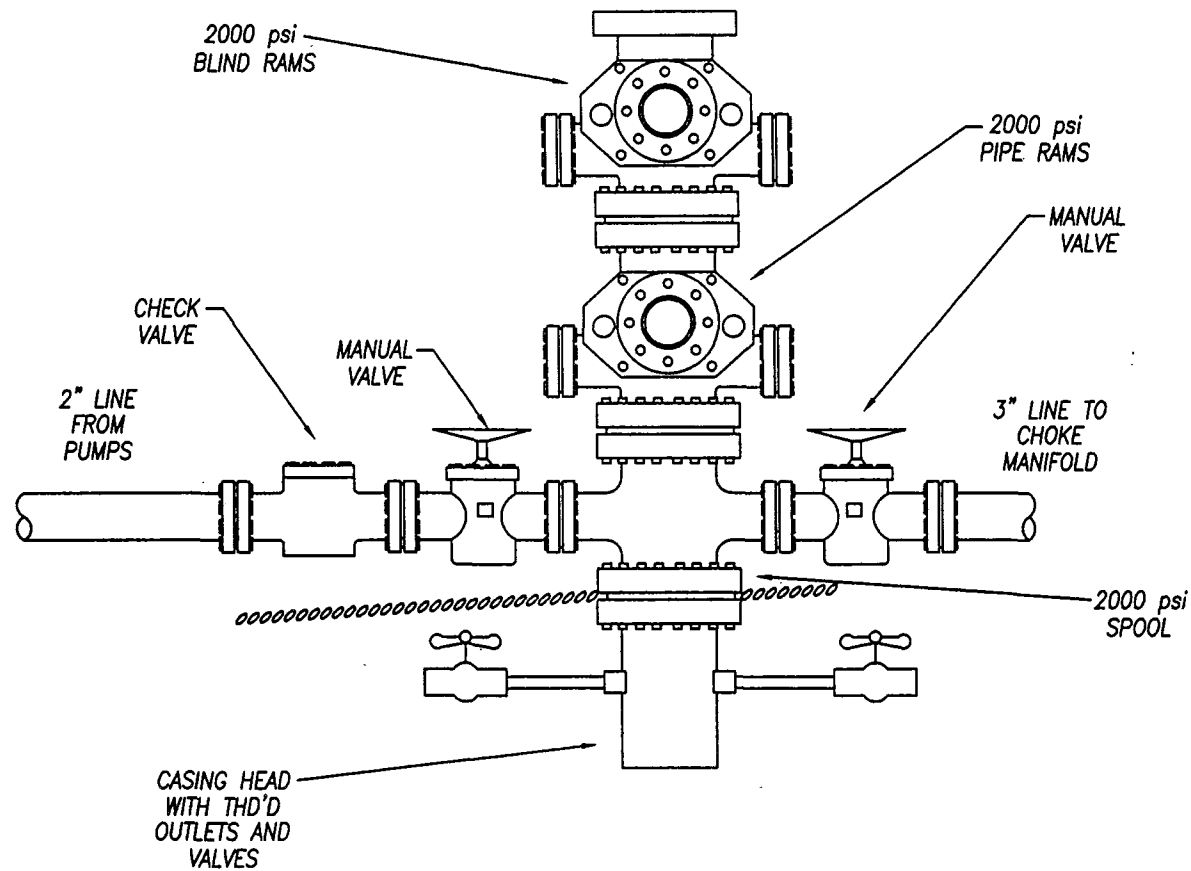


EXHIBIT "G"



# CHOKE MANIFOLD

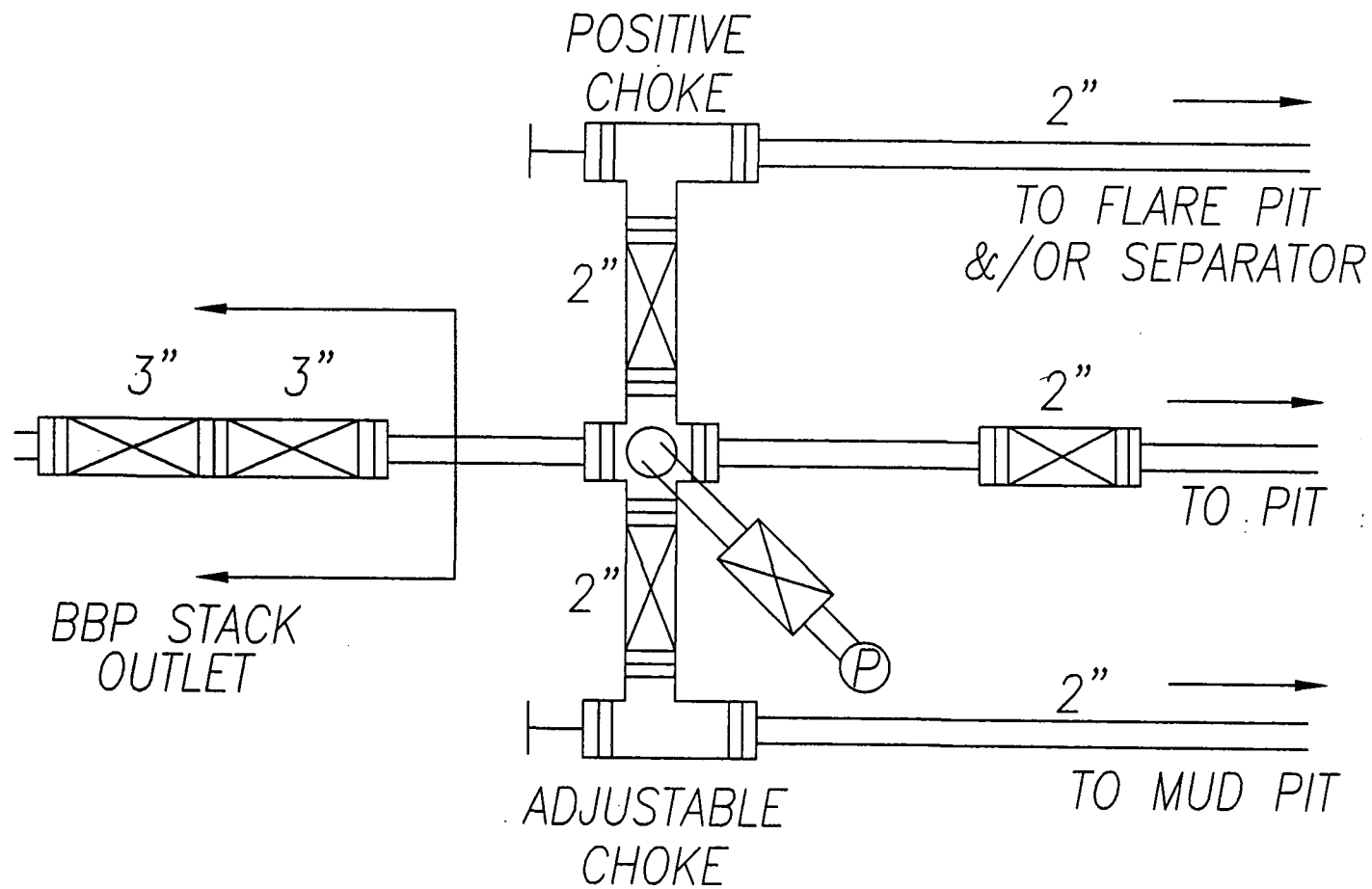
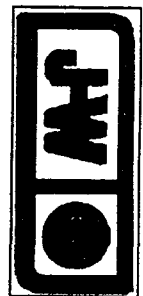
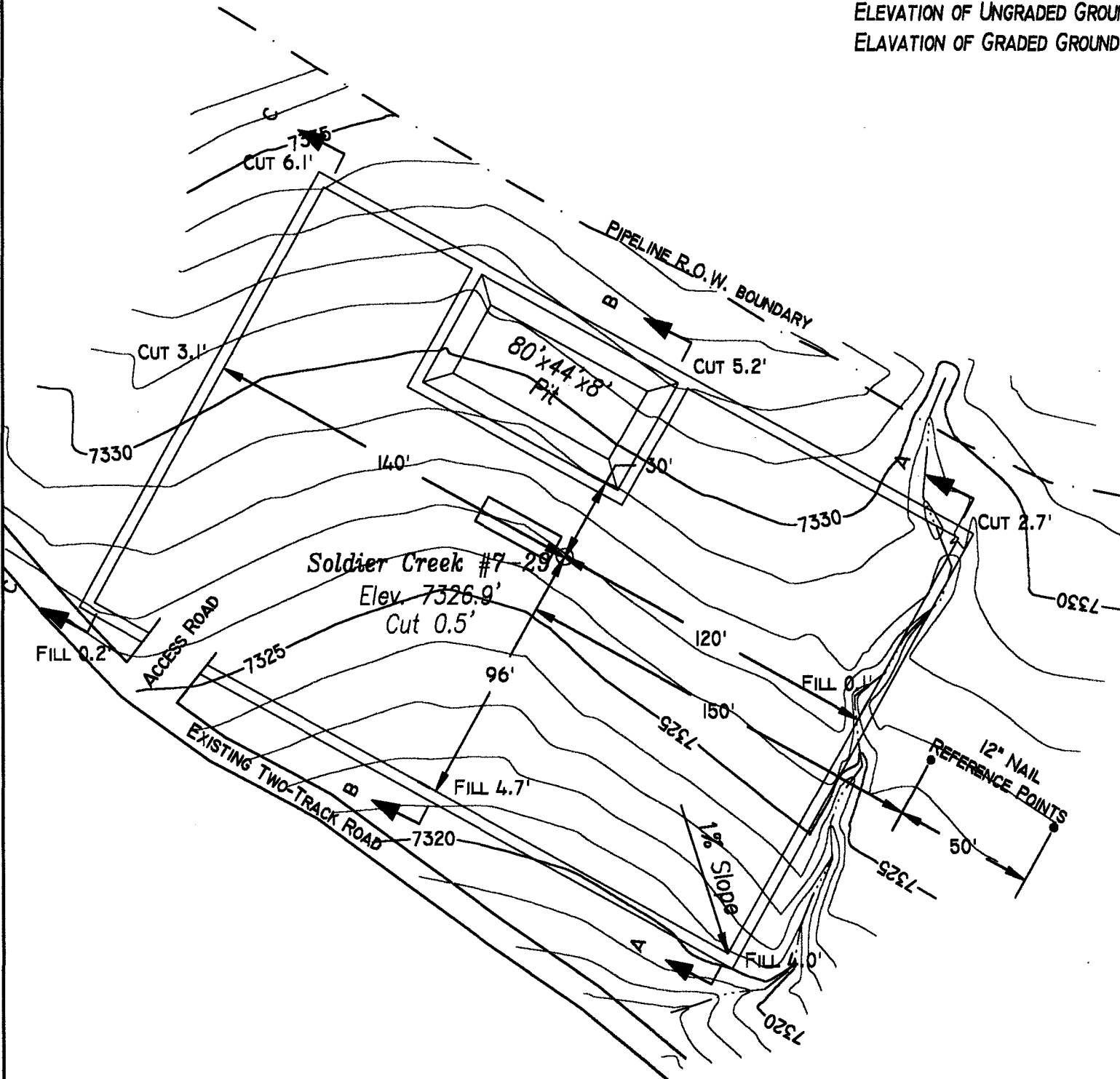


EXHIBIT "H"



ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7326.9'

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7326.4'



**TALON RESOURCES, INC.**

195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talonres@net



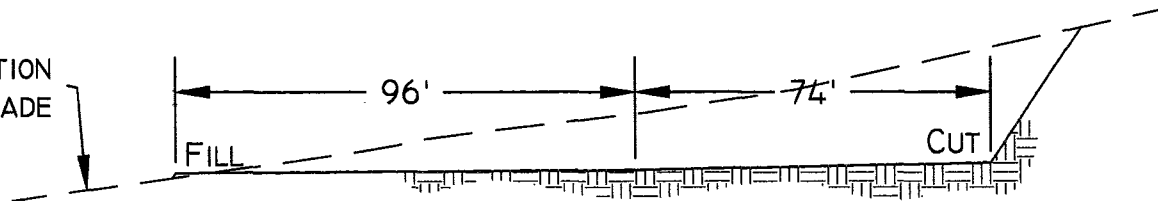
**LOCATION LAYOUT**

Section 29, T12S, R12E, S.L.B.&M.

**Soldier Creek #7-29**

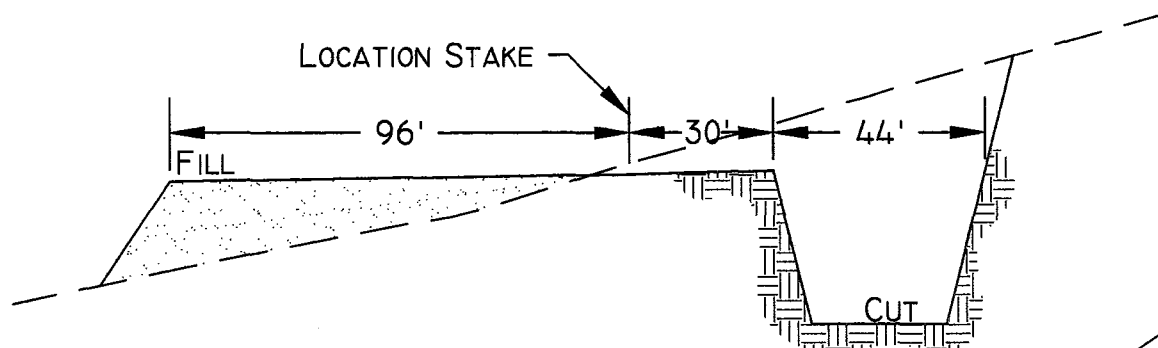
Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. <b>A-2</b>	Date: 06/22/03
	Scale: 1" = 50'
Sheet <b>2 of 4</b>	Job No. 1125

PRECONSTRUCTION  
GRADE

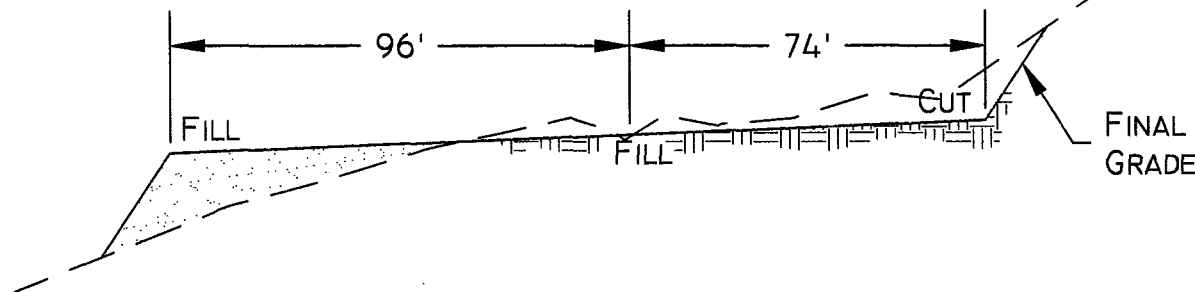


1"=10'  
X-Section  
Scale  
1"=40'

LOCATION STAKE



SLOPE = 1 1/2 : 1  
(EXCEPT PIT)  
PIT SLOPE = 1 ; 1



# APPROXIMATE YARDAGES

## CUT

(6") TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 2,480 CU, YDS.

TOTAL CUT = 3,230 CU. YDS.

TOTAL FILL = 1,330 CU. YDS.



**TALON RESOURCES, INC.**

195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

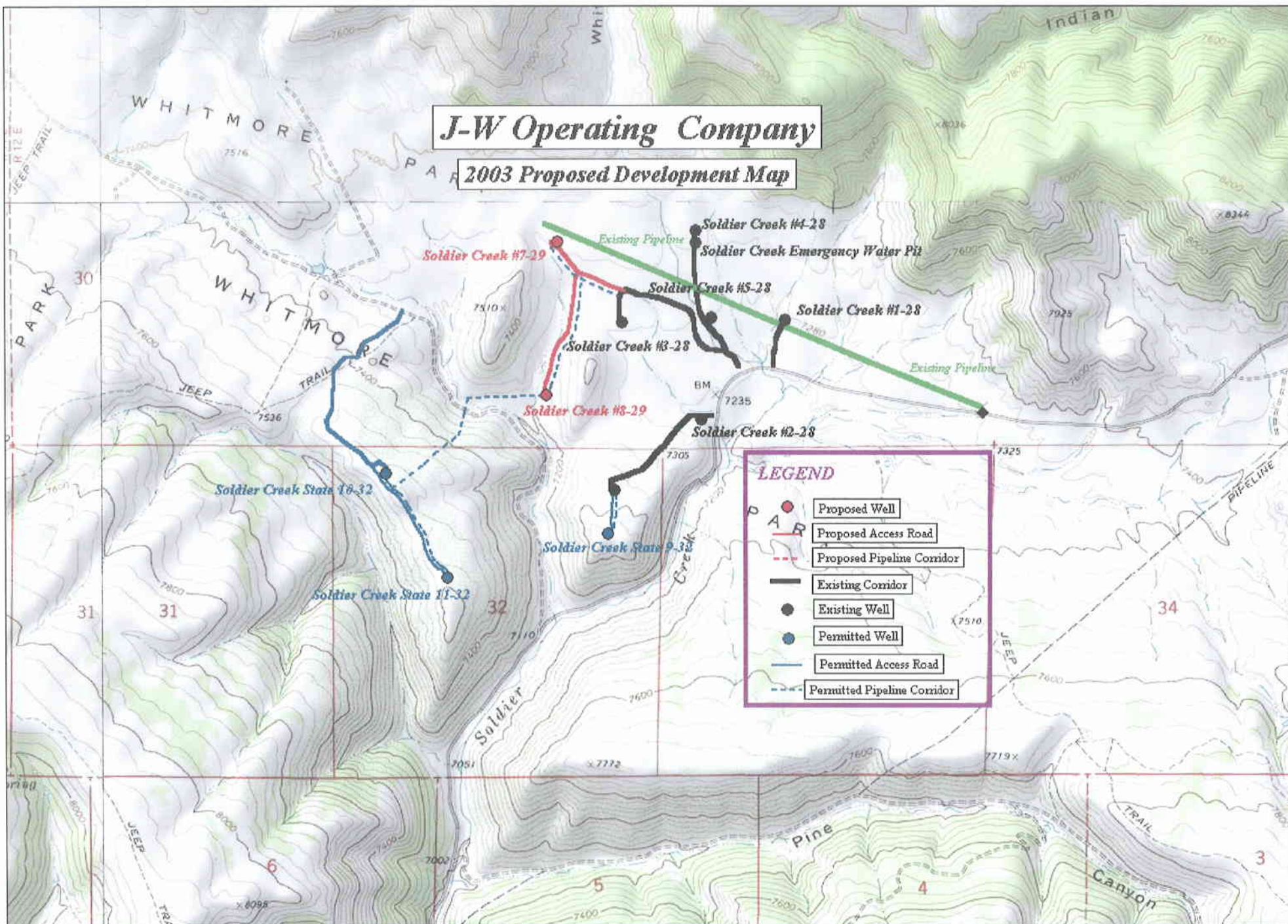
E-Mail talon@etv.net



TYPICAL CROSS SECTION  
Section 29, T12S, R12E, S.L.B.&M.  
Soldier Creek #7-29

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 06/22/03
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1125

## 2003 Proposed Development Map





***J-W Operating Company***

## 2003 Proposed Development Map

***Talon Resources, Inc.***

195 North 100 West  
Huntington, Utah 84528

435-687-5310



**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

003

APD RECEIVED: 07/01/2003

API NO. ASSIGNED: 43-007-30931

WELL NAME: SOLDIER CREEK 7-29

OPERATOR: J-W OPERATING COMPANY ( N2145 )

CONTACT: DON HAMILTON

PHONE NUMBER: 435-687-5310

PROPOSED LOCATION:

SWNE 29 120S 120E

SURFACE: 2069 FNL 1643 FEL

BOTTOM: 2069 FNL 1643 FEL

CARBON

SOLDIER CREEK ( 9 )

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: BLKHK

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	Dkd	7/31/03
Geology		
Surface		

LATITUDE: 39.74810

LONGITUDE: 110.59940

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[] Ind[] Sta[] Fee[4]  
(No. 0004156 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. MUNICIPAL )  
☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )  
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

\_\_\_ R649-2-3.

Unit \_\_\_\_\_

\_\_\_ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

\_\_\_ Drilling Unit

Board Cause No: \_\_\_\_\_

Eff Date: \_\_\_\_\_

Siting: \_\_\_\_\_

\_\_\_ R649-3-11. Directional Drill

COMMENTS:

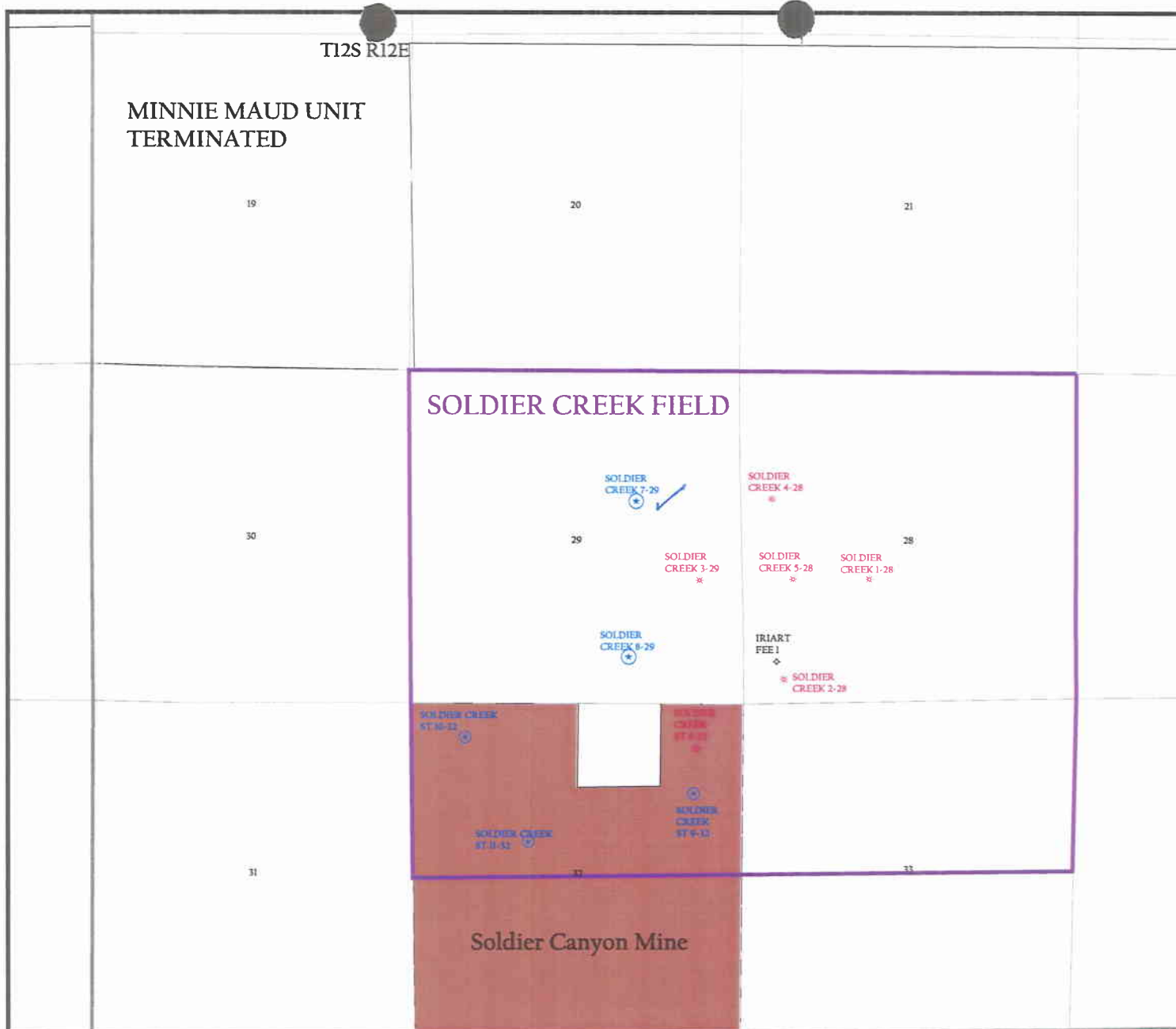
Needs Print (Recd 7-17-03)

STIPULATIONS:

1- Spacing Strip

2- Production Casing Cement Shall be brought above all water zones (min ± 1300' - Price River Top)

3- STATEMENT OF BASIS



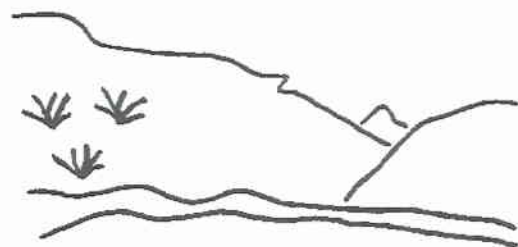
OPERATOR: J-W OPERATING CO (N2145)

SEC. 29 T.12S, R.12E

FIELD: SOLDIER CREEK (9)

COUNTY: CARBON

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON  
DATE: 2-JULY-2003

#### Wells

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

#### Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

#### Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED







Well name:

**07-03 JW Op Soldier Creek 7-29**Operator: **J W Operating Company**String type: **Surface**

Project ID:

43-007-30931

Location: **Carbon County****Design parameters:****Collapse**Mud weight: 8.400 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 70 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 300 ft

Cement top: Surface ✓

**Burst**Max anticipated surface pressure: 0 psi  
Internal gradient: 0.468 psi/ft  
Calculated BHP 164 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 306 ft

Non-directional string.

**Re subsequent strings:**Next setting depth: 3,150 ft  
Next mud weight: 9.000 ppg  
Next setting BHP: 1,473 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 500 ft  
Injection pressure 500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	350 ✓	8.625 ✓	24.00 ✓	K-55 ✓	ST&C ✓	350	350	7.972	16.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	153	1370	8.970 ✓	164	2950	18.03 ✓	8	263	31.31 J ✓

Prepared by: Clinton Dworshak  
Utah Div. of Oil & MiningPhone: 801.538.5280  
FAX: 801.359.3940Date: July 28,2003  
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 350 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:

07-03 JW Op Soldier Creek 7-29

Operator: J W Operating Company

String type: Production

Project ID:

43-007-30931

Location: Carbon County

**Design parameters:****Collapse**

Mud weight: 9.000 ppg  
Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 104 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 368 ft

Cement top: 1,939 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.468 psi/ft  
Calculated BHP 1,309 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 2,418 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2800	5.5	17.00	N-80	LT&C	2800	2800	4.767	96.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1309	6290	4.805	1309	7740	5.91	48	348	7.31 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: 801.538.5280  
FAX: 801.359.3940

Date: July 28, 2003  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 2800 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

UTAH DIVISION OF WATER RIGHTS  
WATER RIGHT POINT OF DIVERSION PLOT CREATED WED, JUL 23, 2003, 10:44 AM  
PLOT SHOWS LOCATION OF 31 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT  
S 2069 FEET, W 1643 FEET OF THE NE CORNER,  
SECTION 29 TOWNSHIP 12S RANGE 12E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

N O R T H

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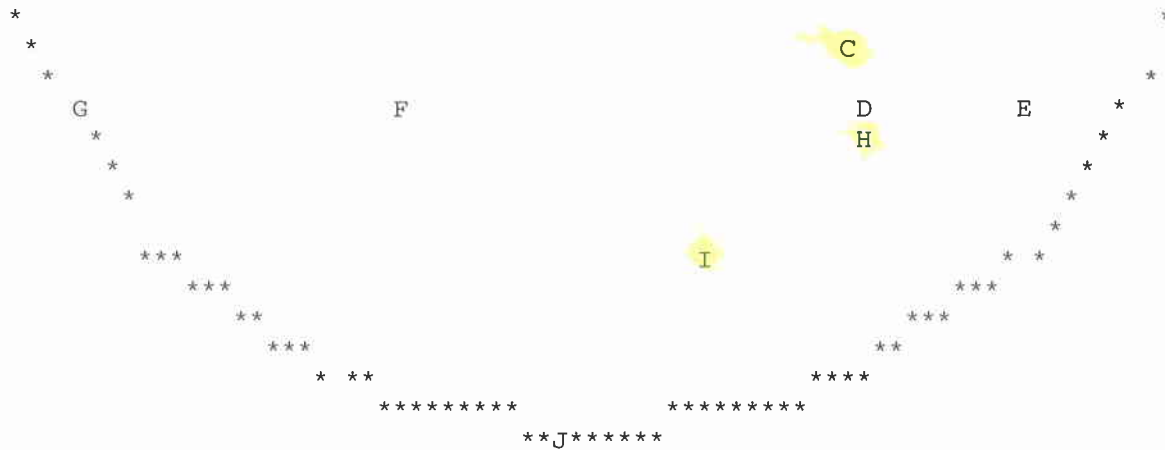
B

7

6

A





UTAH DIVISION OF WATER RIGHTS  
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS AND/OR	AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH EAST CNR SEC TWN RNG B&M	U A N P N P
0	<a href="#">91 1173</a>	.0110	.00	Unnamed Spring		
		WATER USE(S):				
		Iversen, Leonard M and Gail R. 247 Glendale Street				
						PRIORITY DATE: 00/00/1869
						Salt Lake City UT 8
1	<a href="#">91 1172</a>	.0110	.00	Unnamed Spring		
		WATER USE(S):				
		Iversen, Leonard M. and Gail R. 247 Glendale Street				
						PRIORITY DATE: 00/00/1869
						Salt Lake City UT 8
1	<a href="#">91 2195</a>	.0110	.00	Unnamed Spring		
		WATER USE(S): STOCKWATERING				
		Iversen, Leonard M. and Gail R. 247 Glendale Street				
						PRIORITY DATE: 00/00/1869
						Salt Lake City UT 8
1	<a href="#">91 1174</a>	.0000	.00	Unnamed Stream		
		WATER USE(S): DOMESTIC				
		Iversen, Leonard M. and Gail R. 247 Glendale Street				
						PRIORITY DATE: 00/00/1869
						Salt Lake City UT 8

2	<u>91 2073</u>	.0110	.00	Unnamed Spring Stream								PRIORITY DATE: 00/00/1869					
	WATER USE(S):											Price					
	Iriart, Bernard			503 East 1st North								UT 8					
3	<u>91 2077</u>	.0000	.00	Trib. to Soldier Creek								PRIORITY DATE: 00/00/1902					
	WATER USE(S):											Price					
	Iriart, Bernard			503 East 1st North								UT 8					
4	<u>91 5070</u>	.2590	188.00	7	3990	S	2036	E	535	NW	28	12S	12E	SL	X		
	WATER USE(S): OTHER											PRIORITY DATE: 02/07/2003					
	J-W Operating Company			P O Box 226405								Dallas					
												TX 7					
5	<u>t21359</u>	.0000	1.00	Soldier Creek & Unnamed Tribut				N	2210	W	3900	SE	29	12S	12E	SL	X
	WATER USE(S): OTHER											PRIORITY DATE: 07/25/1997					
	Canyon Fuel Company LLC			6955 Union Park Center Suite 550								Midvale					
												UT 8					
6	<u>91 5070</u>	.2590	188.00	6	3625	N	1982	E	2012	SW	28	12S	12E	SL	X		
	WATER USE(S): OTHER											PRIORITY DATE: 02/07/2003					
	J-W Operating Company			P O Box 226405								Dallas					
												TX 7					
7	<u>91 5070</u>	.2590	188.00	6	3413	N	1983	E	801	SW	28	12S	12E	SL	X		
	WATER USE(S): OTHER											PRIORITY DATE: 02/07/2003					
	J-W Operating Company			P O Box 226405								Dallas					
												TX 7					
8	<u>91 2075</u>	.0110	.00	Unnamed Spring								PRIORITY DATE: 00/00/1869					
	WATER USE(S):											Price					
	Iriart, Bernard			503 East 1st North								UT 8					
9	<u>91 7076</u>	.0000	.00	Trib. to Soldier Creek								PRIORITY DATE: 00/00/1869					
	WATER USE(S):											UT					
	Iriart, Bernard																
9	<u>91 7076</u>	.0000	.00	Trib. to Soldier Creek								PRIORITY DATE: 00/00/1869					
	WATER USE(S):											UT					
	Iriart, Bernard																
9	<u>91 2076</u>	.0000	.00	Stream								PRIORITY DATE: 00/00/1869					
	WATER USE(S):											Price					
	Iriart, Bernard			503 East 1st North								UT 8					
9	<u>91 2076</u>	.0000	.00	Stream								PRIORITY DATE: 00/00/1869					
	WATER USE(S):											Price					
	Iriart, Bernard			503 East 1st North								UT 8					
A	<u>91 1364</u>	.0000	.00	Trib. to Soldier Creek								PRIORITY DATE: 00/00/1869					
	WATER USE(S):																

	Nelson, Lawrence C.															Cleveland	UT 8
A	<u>91 1364</u>	.0000	.00 Trib. to Soldier Creek														
	WATER USE(S):															PRIORITY DATE: 00/00/1869	
	Nelson, Lawrence C.															Cleveland	UT 8
B	<u>91 5070</u>	.2590	188.00 6 3540			N	1971	W	692	SE	29	12S	12E	SL	X		
	WATER USE(S): OTHER															PRIORITY DATE: 02/07/2003	
	J-W Operating Company															Dallas	TX 7
C	<u>91 4124</u>	.1500	.00 6 300			N	1000	E	550	SW	28	12S	12E	SL	X		
	WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING															PRIORITY DATE: 06/12/1974	
	Iriart, Bernard															Price	UT 8
D	<u>91 2097</u>	.0000	.00 Unnamed Stream														
	WATER USE(S):															PRIORITY DATE: 00/00/1869	
	Iriart, Bernard															Price	UT 8
D	<u>91 2096</u>	.0110	.00 Unnamed Spring														
	WATER USE(S):															PRIORITY DATE: 00/00/1902	
	Iriart, Bernard															Price	UT 8
D	<u>91 2095</u>	.0000	.00 Unnamed Stream														
	WATER USE(S):															PRIORITY DATE: 00/00/1902	
	Iriart, Bernard															Price	UT 8
E	<u>91 2098</u>	.0000	.00 Soldier Creek														
	WATER USE(S):															PRIORITY DATE: 00/00/1869	
	Iriart, Bernard															Price	UT 8
E	<u>91 2097</u>	.0000	.00 Unnamed Stream														
	WATER USE(S):															PRIORITY DATE: 00/00/1869	
	Iriart, Bernard															Price	UT 8
F	<u>91 1365</u>	.0000	.00 Trib. to Soldier Creek														
	WATER USE(S):															PRIORITY DATE: 00/00/1869	
	Nelson, Lawrence C.															Cleveland	UT 8
F	<u>91 1365</u>	.0000	.00 Trib. to Soldier Creek														
	WATER USE(S):															PRIORITY DATE: 00/00/1869	
	Nelson, Lawrence C.															Cleveland	UT 8
G	<u>91 1366</u>	.0000	.00 Cottonwood Creek														
	WATER USE(S):															PRIORITY DATE: 00/00/1869	
	Nelson, Lawrence C.															Cleveland	UT 8
G	<u>91 1366</u>	.0000	.00 Cottonwood Creek														



## Points of Diversion

Page 5 of 5

WATER USE(S):										PRIORITY DATE: 00/00/1869									
Nelson, Lawrence C.										Cleveland UT 8									
H	91 5070	.2590	188.00	6	3160	N	400	E	647	SW	28	12S	12E	SL	X				
WATER USE(S): OTHER										PRIORITY DATE: 02/07/2003									
J-W Operating Company										Dallas TX 7									
P O Box 226405																			
I	91 5070	.2590	188.00	6	3075	S	707	W	742	NE	32	12S	12E	SL	X				
WATER USE(S): OTHER										PRIORITY DATE: 02/07/2003									
J-W Operating Company										Dallas TX 7									
P O Box 226405																			
J	91 2085	.0000	.00	Unnamed Stream															
WATER USE(S):										PRIORITY DATE: 00/00/1869									
Iriart, Bernard										Price UT 8									
503 East 1st North																			



State Online Services

Agency List

Search Utah.gov 

## UTAH DIVISION OF WATER RIGHTS

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 07/23/200

WRNUM: 91-4124

APPLICATION/CLAIM NO.: A43757

CERT. NO.:

## =====

## OWNERSHIP\*\*\*\*\*

NAME: Iriart, Bernard  
ADDR: 503 East 1st North  
CITY: Price  
LAND OWNED BY APPLICANT? YesOWNER MISC:  
  
STATE: UT ZIP: 84501 INTEREST: 100%

## =====

## DATES, ETC.\*\*\*\*\*

FILING: 06/12/1974	PRIORITY: 06/12/1974	ADV BEGAN: 07/25/1974	ADV ENDED:	NEWSPAPER:
PROTST END:	PROTESTED: [No ]	APPR/REJ: [ ]	APPR/REJ:	PROOF DUE:
ELEC/PROOF:[ ]	ELEC/PROOF:	CERT/WUC:	LAP, ETC:	PROV LETR:
RECON REQ:	TYPE: [ ]			EXTENSION:
PD Book No.	Map:	Date Verified: 05/10/1993	Initials: MJK	RENOVATE:
Type of Right: Application to Appropriate	Source of Info: Application to Appropriate	Status: Unapproved		

## =====

## LOCATION OF WATER RIGHT\*\*\*\*\*

FLOW: 0.15 cfs  
COUNTY: Carbon COMMON DESCRIPTION: SOURCE: Underground Water Well

POINT OF DIVERSION -- UNDERGROUND:

(1) N 1000 ft E 550 ft from SW cor, Sec 28, T 12S, R 12E, SLBM DIAM: 6 ins. DEPTH: 300 to ft. YEAR DRILLED:  
Comment:

## =====

## USES OF WATER RIGHT\*\*\*\*\*

# 07-03 JW Op Soldier Creek 7-29

## Casing Schematic

Surface - Colton

Surface

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
0.

w/ 18% Washout

Surface  
350. MD

\* Stop - above water zones

BHP

$$(.052)(9)(2800) = 1310$$

Anticipate < 2000

Gao

$$(.12)(2800) = 336$$

$$MASP = 974$$

BOPE = 2,000 proposed

Adequate DKD

7/31/03

TOC @  
1250.

≈ 1390

Price River

Robert Ellen 7/28/03

15% Washout w/ 270 sks

@ 0% washout ≈ 275'

5-1/2"  
MW 9.

Production  
2800. MD

**DIVISION OF OIL, GAS AND MINING**  
**APPLICATION FOR PERMIT TO DRILL**  
**STATEMENT OF BASIS**

**OPERATOR:** Phillips Petroleum Company  
**WELL NAME & NUMBER:** Soldier Creek #7-29  
**API NUMBER:** 43-007-30931  
**LOCATION:** 1/4,1/4 SWNE Sec: 29 TWP: 12S RNG: 12E 2069' FNL 1643' FEL

**Geology/Ground Water:**

It is likely that this well will encounter several prolific fresh water bearing Formations during drilling including the North Horn and Price River Formations, which occur within 2,000' of the surface. Ground water is likely to be close to the surface. A nearby well encountered water at 85' TD. A well drilled at this location will likely spud into a poorly to moderately permeable soil developed on the Tertiary Colton Formation. Two water rights have been filed covering 7 wells, 6 of which are held in the Operator's name, within a mile of the location. The seventh is a stock water supply well held by the Iriart Family. Drainage is to the south into Soldier Creek, which eventually flows into the Price River. The proposed casing and cementing program and the freshwater/gel drilling fluid system should be sufficient protect the shallow ground water resource.

**Reviewer:** Christopher J. Kierst **Date:** 7/23/03

**Surface:**

The proposed location is on property owned by the Iriart Family located in the Whitmore Park area ~16.0 miles Northeast of Price, Utah. Soldier Creek, a year-round live water source lies Northeast of the proposed location ~1800'. The terrain directly associated with this location drains to the Southeast into Soldier Creek then South eventually to the Price River. Dry washes run throughout the area. Precipitation will be deflected around the location with berms and culverts. Access will be restricted to gas field roads on Iriart surface, built and maintained by JW Operating with one encroachment off of a county road. The site was photographed and characterized during pre-site inspection. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway. A cultural resource survey was not required by the landowners for this well. The surface owners were invited to the on-site meeting, however elected not to attend. Carbon County was invited but chose not to attend.

**Reviewer:** Mark L. Jones **Date:** July 18, 2003

**Conditions of Approval/Application for Permit to Drill:**

1. Culverts sufficient to manage expected runoff, standing and surface water in crossed drainages.
2. Berm location and pit.
3. Site infrastructure as per drilling location plat.
4. Fence all four sides of the pit.
5. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>10</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>10</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**      40      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

OPERATOR: JW Operating  
WELL NAME & NUMBER: Soldier Creek #7-29  
API NUMBER: 43-007-30931  
LEASE: Fee FIELD/UNIT: \_\_\_\_\_  
LOCATION: 1/4, 1/4 SWNE Sec: 29 TWP: 12S RNG: 12E 2069' FNL 1643' FEL  
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.  
GPS COORD (UTM): X = 534356 E; Y = 4399680 N SURFACE OWNER: Iriart Family

**PARTICIPANTS**

M. Jones (DOGM), Ron Lingel (JWO), D. Hamilton (Talon). The surface owners were invited to the on-site meeting, however elected not to attend. Carbon County was invited but chose not to attend.

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

The proposed location is on property owned by the Iriart Family located in the Whitmore Park area ~16.0 miles Northeast of Price, Utah. Soldier Creek, a year-round live water source lies Norhteast of the proposed location ~1800'. The terrain directly associated with this location drains to the Southeast into Soldier Creek then South eventually to the Price River.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 174' X 290' and an 50 X 80 X 10 pit. Approximately 0.15 miles of new access is proposed for this well, extending from an existing JW Operating well.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 4 proposed wells, 6 existing CBM wells, and 1 PA well exist within a 1 mile radius of the above proposed well. Also 1 fresh water well/spring.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along the roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.

ANCILLARY FACILITIES: N/A

**WASTE MANAGEMENT PLAN:**

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the approved injection zone via a salt water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Sagebrush, grasses, rabbit brush, elk, deer, coyote, various fowl and small game.

SOIL TYPE AND CHARACTERISTICS: Sandy clay loam.

SURFACE FORMATION & CHARACTERISTICS: \_\_\_\_\_

EROSION/SEDIMENTATION/STABILITY: Erosive on disturbance.

PALEONTOLOGICAL POTENTIAL: N/O

**RESERVE PIT**

CHARACTERISTICS: Dugout earthen pit. (As per APD.)

LINER REQUIREMENTS (Site Ranking Form attached): Liner required.

**SURFACE RESTORATION/RECLAMATION PLAN**

As per surface use agreement.

SURFACE AGREEMENT: Surface use agreement has been signed.

CULTURAL RESOURCES/ARCHAEOLOGY: None requested by the surface owner.

**OTHER OBSERVATIONS/COMMENTS**

JM Huber pipeline, "Huber Line", lies North of the proposed drill point ~100'. The entire proposed pad has been staked to avoid the pipeline ROW. A cultural resources survey was not required by the landowners for this well.

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

7/17/2003 / 2:15 pm  
DATE/TIME



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

August 4, 2003

J-W Operating Company  
P O Box 305  
Wray, CO 80758

Re: Soldier Creek 7-29 Well, 2069' FNL, 1643' FEL, SW NE, Sec. 29, T. 12 South,  
R. 12 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30931.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John R. Baza'.

John R. Baza  
Associate Director

pab  
Enclosures

cc: Carbon County Assessor



**Operator:** J-W Operating Company  
**Well Name & Number** Soldier Creek 7-29  
**API Number:** 43-007-30931  
**Lease:** Fee

**Location:** SW NE **Sec.** 29 **T.** 12 South **R.** 12 East

### **Conditions of Approval**

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
6. Production casing cement shall be brought above all water zones (minimum  $\pm 1300'$  – Price River Top).

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

005

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
J-W Operating Company

3. ADDRESS OF OPERATOR:  
P.O. box 305 CITY Wray STATE CO ZIP 80758

PHONE NUMBER:  
(970) 332-3151

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2,069' FNL, 1,643' FEL

COUNTY: Carbon

QTR/QTR. SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 29 12S 12E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Extend State Permit</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

J-W Operating Company hereby requests a one year extension of the state permit for the Soldier Creek #7-29

This is the first extension that has been requested.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 10-27-04

By: [Signature]

RECEIVED

OCT 26 2004

DIV. OF OIL, GAS & MINING

ORIGINAL

NAME (PLEASE PRINT) Don Hamilton

TITLE Agent for J-W Operating Company

SIGNATURE Don Hamilton

DATE 10/22/2004

(This space for State use only)

COPI SENT TO OPERATOR  
Date: 10-29-04  
Initials: CHD

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-007-30931  
**Well Name:** Soldier Creek #7-29  
**Location:** SW/4 NE/4, Section 29, T12S, R12E, SLB&M  
**Company Permit Issued to:** J-W Operating Company  
**Date Original Permit Issued:** 8/4/2003

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Don Hamilton  
Signature

10/22/2004  
Date

Title: Agent for J-W Operating Company

Representing: J-W Operating Company

RECEIVED  
OCT 26 2004  
DIV. OF OIL, GAS & MINING

ORIGINAL

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

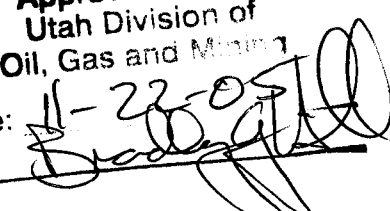
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Patented
2. NAME OF OPERATOR: J-W Operating Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. box 305 CITY Wray STATE CO ZIP 80758		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,069' FNL, 1,643' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 29 12S 12E S		8. WELL NAME and NUMBER: Soldier Creek #7-29
PHONE NUMBER: (970) 332-3151		9. API NUMBER: 4300730931
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Soldier Creek
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Extend State Permit</u>
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

J-W Operating Company hereby requests a one year extension of the state permit for the Soldier Creek #7-29

This is the second extension that has been requested.

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 11-22-05  
By: 

COPY SENT TO OPERATOR  
Date: 11-25-05  
Initials: LHO

ORIGINAL

NAME (PLEASE PRINT) <u>Don Hamilton</u>	TITLE <u>Agent for J-W Operating Company</u>
SIGNATURE <u>Don Hamilton</u>	DATE <u>11/17/2005</u>

(This space for State use only)

RECEIVED

NOV 22 2005

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-007-30931  
**Well Name:** Soldier Creek #7-29  
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Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Don Hamilton  
Signature

11/17/2005  
Date

**Title:** Agent for J-W Operating Company

**Representing:** J-W Operating Company

RECEIVED  
NOV 22 2005  
DIV. OF OIL, GAS & MINING ORIGINAL



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

November 30, 2006

Don Hamilton  
J-W Operating Company  
P.O. Box 305  
Wray, CO 80758

Re: APD Rescinded - Soldier Creek 7-29 Sec. 29 T. 12S R. 12E  
Carbon County, Utah API No. 43-007-30931

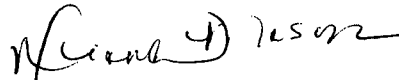
Dear Mr. Hamilton:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 4, 2003. On October 27, 2004 and November 22, 2005, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 30, 2006.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Brad Hill, Technical Service Manager